UNCLE SAM IN BOLIVIA

How the Panama Canal Will Open the Country to United States Trade.

American Goods on the High Plateau of the Andes—Opportunities for Investments in Eastern Bolivia—The New Railroad Era Started by the United States—American Bankers. One New York Company and What It Is Doing—American Mission Schools, Partially Supported by the Bolivian Government—The Methodist Institute at La Paz and the New School at Cochabamba.

(Copyrighter, 1914, by Frank G. Carpenter.)

LA PAZ, Bolivia.

By the Panama canal Uncle Sam has brought Bolivia into the market place of the United States. This means much now. It will mean more in the future. Bolivia is almost one-fifth as big as Europe. If spread over the main body of the United States, it would cover one-fourth of it. It is an undeveloped empire of natural resources. Situated on the roof of South America and shut off from the seacoast by a great strip of desert, it has until lately been almost inaccessible. Of its vast mineral resources, only those could be mined and shipped abroad that were valuable enough to pay enormous freight rates. They had to get out to sea over a single railroad and then go down through the Strait of Magellan to Europe. Now there are three railroads, and by the Panama canal Bolivia is brought within about 4,000 miles of New Orleans, and within almost 4,500 miles of New York.

The country is the great tin reservoir of the world. It has been sending its tin ore through the Strait of Magellan to England, where the metal has been smelted and refined, and sent across the Atlantic ocean for the making of American tin plate. The tin ore will now probably come to us direct, and a smelting industry may grow up to handle it. As to the present trade with Bolivia, Great Britain comes first, then Germany, and then the United States. Even under the hard conditions of present transport we are sending Bolivia more than one-seventh of all she consumes and we buy one-third of all that she sells. With the canal, our sales should increase enormously and our purchases will probably make us her best customer. As it is now the total foreign trade of the country is about $50,000,000 and of this the exports exceed the imports by more than $10,000,000.

Within the past six or seven years American interests in Bolivia have been rapidly growing. In 1902, when Brazil paid to Bolivia something over $10,000,000 for the territory of Acre, the government decided to put the money into the building of railroads for the development of the country, and the contracts were given to Speyer & Co. and the National City Bank of New York. The amount all told was something like $27,000,000 and this resulted in the building of a number of new lines and the extension of the old system, giving the country the improved transportation service which it has today. Later on the Farquahar Syndicate, incorporated in the United States with a capital of $25,000,000, received concessions for the building of roads in eastern Bolivia, and, although as yet nothing has been done on account of the hard financial conditions throughout the world, this concession may be revived as times improve.

Associated with the Speyers and the National City Bank in the first railroad building was the firm of W. R. Grace & Co., of New York. It was through this company, which has long been a power in South America, that the great railroad loan was contracted, and through it came large importations of American machinery, rails and rolling stock, and also the American civil engineers who laid out the lines and superintended the construction.

At about the same time the firm of W. R. Grace & Co., established an American house in La Paz. It had long been known for its work in all the countries along the west coast, but until then had not paid much attention to Bolivia and the interior. Since then it has established selling agencies in every part of the republic, and it is now pushing American goods everywhere throughout the high Andes. It has divided up Bolivia just as our great wholesale firms map out their respective territories, and it has its commercial salesmen drumming and pushing American goods in every part of the country. The La Paz establishment of Grace & Co. is the biggest wholesale house in Bolivia. It has a business corner that covers about one-tenth of an acre and its counting room looks like a government department. It has scores of clerks seated at American desks, and the clicking of a score of American typewriters fills the air. Business is done just as in the states, and the success shows that American methods will work as well south of the equator as they do north of it.

During my stay here I have had a chat with Mr. Jorge Zalles, the local director of this American firm. He was born in Bolivia, and thoroughly understands the people and their trade. He is also well posted as to our American interests, having had some experience in the United States in a diplomatic capacity, and also as to the importation and exportation of goods from this country to the United States and Europe. Said he:

"There should be a great increase in the business done between the United States and Bolivia. As it is now, the most of the trade goes on through Grace & Co., but there is plenty of room for others. We have to fight the English, the French and the Germans, and the only way to do business is to go after it and get it. You cannot sell goods here by letter. You need good men on the ground, and establishments that will come to stay. As it is, much of the business is in the hands of the Germans, and they are so pushing their trade that they supply nearly one-third of all the goods imported into Bolivia."

"What kind of goods do we sell in this country?"

"We sell 90 per cent of all the flour that comes in," replied Mr. Zalles, "and 99 per cent of all the lumber. Flour comes from the Pacific coast, and nearly all the lumber consumed is Oregon pine. We are also selling a great deal of mining machinery and of galvanized steel sheets for roofing. American shoes are worn by the middle and upper classes, and they are the best shoes in the market. We are also selling cotton sheeting, American typewriters and American hardware. In all of these branches the trade might be greatly increased, but only by having men on the ground who can drum up the business."

"But how about credits in Bolivia? Do the merchants pay for what they order?"

"Yes. They are as honest as we are, and there is no more trouble in making collections. The national credit is also good, and it has greatly improved since the contract was made through W. R. Grace & Co. with Speyers and the National City Bank for the building of new railroads. Before that time it was almost impossible for us to get money from Europe. I remember that I went to London about ten years ago to borrow a million dollars to build the railroad from Lake Titicaca to La Paz. I could not get any one to listen to me. After the loan was made by the Speyers the financial powers of Europe began to wake up. They decided that if the credit of Bolivia was good enough for the Americans it ought to be good enough for them, and since then we have had no trouble in borrowing. There is today a great deal of English, French and German money invested in Bolivia, and we can get a loan at any time for any reasonable amount. Our public debt is not large considering our population and our resources."

"What kind of interest rates does money bring here?"

"The rates are much higher than in the United States. Ordinarily loans yield 10 per cent, and for special loans 11 per cent and more are received. Our money rises and falls, according to the demand and supply, just as it does everywhere. At present money is scarce and high all over the world. The government is making some changes in its financial arrangements. It has recently given one bank the exclusive right to issue notes, and the rate of interest has been raised. We have a number of banks in the country and the most of them are prosperous."

"How about the opportunities for the investment of American capital?"

"They are good," replied Mr. Zalles. "Bolivia is at the beginning of its development, and it has vast resources in lands, mines and petroleum. The most valuable part of our country lies east of the Andes. In that region we have an area bigger than Texas, consisting of high plains that will raise wheat, corn and cattle. Those lands are between the River Pilcamayo and the Paraguay, and they extend northward into the plateau of Matto Grosso. The climate is fine and well suited to white men. That region will some day have a large population. As to mines, Bolivia has produced quantities of silver, copper and tin, but it is still on the edge of its mineral development. We have petroleum fields that promise to revolutionize the fuel problem in South America. These are east of the Andes. They are said to be very rich."

"But is capital so invested safe?" I asked.

"Yes, just as safe as in Europe or the United States. You people should realize that conditions in the great countries of South America are far different from those of Central America and Mexico. Investments in Chile, Argentina and Bolivia are on a firm basis, as far as the governments are concerned. We have not had a revolution in Bolivia for more than thirty years, and we are in a good financial condition. Capital is protected, and I venture that a man's life is safer at any hour of the night here in La Paz than in New York or Chicago."

"How about your new railroads?"

"Our railroad era is at its beginning. Within the past decade the chief cities have been connected by iron tracks, and we are building extensions that will complete the basis of the system. Our railways are now within about one hundred miles of those of the Argentine, and within a short time we shall have direct railroad connection with Buenos Aires. Indeed, we can today go to Buenos Aires overland within less than seven days by staging the space between the roads.

"What we especially want," continued Mr. Zalles, "is railroads to open up eastern Bolivia. That part of the country is well fitted for immigration, but it cannot be developed until it has better transportation. The region is rich beyond conception. It is one of the largest blocks of good, undeveloped land that yet remains to the world. It is far different from the high Andean plateau, which is, to a large extent, a mineral proposition. Eastern Bolivia is agricultural. It is like Argentina. Here on the plateau cities are increasing in size, and a steady growth is apparent. If you look about in La Paz you will find that new construction work is going on in every part of the city. Why we start a new building almost every day. Settlements are also springing up along the lines of the railroads, and even the Indians are increasing their wants."

"Tell me something about the Indians," Mr. Zalles. Many of the foreigners I have met say they are little more than animals, and that there is no possibility of improving them."

"That is a mistake. The Aymara Indians, who form the majority of the population, are much like the Japanese in their aptitude for new things. The older men and women, whose brains have been deadened by overwork and by alcohol may be dull and sodden.

It is far different with the young men. They are bright and quick to learn. You will see them working upon the buildings here in La Paz. Everything is done by Indian labor. We have a large shoe factory in Oruro. The shoemaking machines are American, and they are all operated by Indians We have Indians who are experts in handling mining machinery. Some of the Aymaras are learning to read, and I can see that a radical improvement has begun. The most of our Indians are landowners. They are interested in the country by owning a part of it, and as they become more enlightened they will be fairly good citizens.

The new American minister is doing what he can to push our trade with a view to the opening of the canal. The minister comes from the Mississippi valley. His name is John Davis O'Rear. He was practicing law at Mexico, Mo., when Secretary Bryan elevated him to the diplomatic corps and to the tops of the Andes. Since coming here he has established excellent connections with the Bolivians and I find him popular. He lives in the house that was occupied by the former minister, Horace G. Knowles. It faces the Prado, or chief public park and promenade of the capital, and is in the official and social part of the city. Mr. O'Rear tells me that American exporters should establish permanent agencies in La Paz and send their men down here to push their goods.

Mr. Knowles, the former minister, is so confident of the future of the country that he has established a company for the mineral development of Bolivia. This is chartered in Portland, Me., and its authorized capital is $25,000,000. It has its engineers and prospectors, who are traveling over the Andes looking for good propositions, lands and mines, which, when found, are to be developed by Bolivian and American capital. Mr. Knowles is the president of the Incaoro Mining Company, which he tells me, is doing wonders. I have already spoken of the gold bricks—real gold, not imitation—that he showed me from this mine, and his story is that it grows better and better. Mr. Knowles does not hesitate to urge the investment of American capital in Bolivian mines. He thinks this country is to be the treasure vault of the next generation; and it is a part of his business just now to induce Americans to come to it Personally, I believe every man ought to investigate such propositions carefully before putting any of his hard-earned American dollars into them.

I find that the Americans are doing much in Bolivia along the lines of education. I have already written of their Indian school on the banks of Lake Titicaca. This is thriving and it promises to work a revolution in a race that sorely needs it. Here at La Paz is the American institute. This is a college for the higher education of Bolivian youth that is making a big impression upon the country. It is supported by the Methodist Episcopal church of the United States, but the Bolivian government esteems it so highly that it makes an appropriation every year for it and encourages it in every possible way This school was founded in 1907 at the request of the Bolivian government by the missionaries and it is under their control. It is not sectarian in its teaching. When it was first opened it had an attendance of 120 pupils, and since then the number has grown to 300 and more. The students come from all parts of Bolivia and Peru. Not a few of the boys have to travel a month by mule, stage coach and train to get to La Paz.

During my stay here I have visited this institute and had talks with its teachers. They are all Americans and the school is run on the American plan. The head is Prof. McBride, and among the teachers are the graduates of the best of our colleges.

The American Institute is situated near the Prado and not far from our legation. It still occupies rented grounds and buildings, and it ould be a good investment for some one who wishes to lay up treasures in heaven to give $50,000 to $100,000 to the buying of land and the erection of buildings for the institute. When Secretary Bryan was here, six or seven years ago, he started a movement toward the raising of this money, but so far as I know he was not altogether successful. I know of no place where money could be better spent. As it is now all of the buildings are crowded and there are more applications from students than can be filled. The Methodist church has established a secondary school at Cochabamba, a city of 30,000, in the heart of Bolivia, about three days' journey from La Paz. This school will have a like appropriation from the government as that of La Paz. This school will have a like appropriation from the government as that of La Paz.

The American Institute is organized after the model boys' boarding schools of the United States. It has all the features that make school life pleasant, and it has taken to some extent the part of a Young Men's Christian association in the encouragement of games and the development of athletics. It has its literary society and its school publications. It has a boy scout movement and athletic tournaments, with running, jumping and foot ball matches. I have before me the program of the tournament of last year. The language is Spanish, but it can be easily translated by those understanding the sports. The tournament was divided into three classes the first of which was composed of the alumni and others above fifteen years of age. The second class was of all those between eleven and fifteen years and a third class was for boys under eleven. The prizes were gold, silver and bronze medals, and they were presented by the American minister at the end of the games.

FRANK G. CARPENTER.

INFECTION IN HOSPITAL.

Its Spread is Largely Due to Ignorance and Carelessness.

Dr. Robert J. Wilson of New York, in discussing the care of communicable diseases in hospitals at the convention of the American Medical Association at Atlantic City, said:

"The experience of the Department of Health hospitals of New York City shows that two elements enter most prominently into the question of mixed infections—overcrowding and the inability to keep cases in isolation after admission until the incubative period of common diseases has passed. Ordinarily milk may be taken as one of several types of food that might act as a good culture medium to spread infection from the kitchen to the wards if the management and construction of the latter are faulty. The laundry building may well represent the focus from which infection spreads. Airborne infection is probably rare, but there is sufficient evidence of a practical kind to show how abundant certain organisms are in the soiled linen of contagious cases."

Dr. D. L. Richardson of Providence, R. I., read a paper on the prevention of these diseases in hospitals, in which he pointed out means for diminishing the number of infectious diseases which arise in general hospitals. Infectious diseases are carried largely by contact and the infectious material does not live long outside the human body. Unfortunately we are not always able to make exact diagnoses of infectious diseases, and thus they are introduced into general hospitals in the following ways: In frankly unrecognized cases, in so-called mixed cases, in carriers.

They are seldom introduced by visitors or in any other way than by the patients themselves. To diminish this it is important, particularly in childrens hospitals and in children's wards in general hospitals, to isolate for a period of a week all children, and in adults' wards to detain in isolation rooms all cases n any way suspicious and to remove from the wards any acute infection that cannot be fully explained. Isolation wards should be provided in every hospital, in larger numbers, where children predominate. These should be mostly single rooms, provided with running water and all other equipment necesesary for preserving complete asepsis and thus preventing the carrying of infection from one individual to another.

THE REAL DANGER

Secret Influence of Money the Curse of United States.

Doctor Page, the American ambassador, says that the fact that very rich men rarely hold public office in America proves that the United States is far removed from a plutocracy. But, as a matter of fact, the very rich man openly taking part in public affairs is a far less danger to the body politic than the rich man behind the scenes with his nominees in power.

This secret influence of money has been the curse of the United States for generations, and it has become the curse of Great Britain during the last six or seven years.—London Express.

Usually a man gives away better advice than he ever receives.